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SUBJECT: KUWAIT-FRANCE NUCLEAR COOPERATION

REF: A. KUWAIT 143
[1](#)B. KUWAIT 578
[1](#)C. KUWAIT 184

Classified By: EconCouns Oliver B. John for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: French Economy Minister Christine Lagarde visited Kuwait June 20-21 for the twelfth meeting of the Kuwait-France Joint Economic Committee. Local media and wires played up French-Kuwaiti nuclear cooperation both from her talks with the Amir and from the concurrent visit by representatives of France's state-owned Areva. Contacts in the GOK, however, stress that there was much less to the meetings than portrayed in the press. Minister Lagarde's visit comes four months after President Sarkozy discussed security cooperation with the GOK, part of his government's high-profile endeavor to significantly expand the GOF's defense and commercial links with GCC nations. End Summary.

[1](#)2. (SBU) French Economy Minister Christine Lagarde engaged in high-level talks with the GOK June 21, as part of the twelfth meeting of the Kuwait-France Joint Economic Committee, the first such meeting since 2006. According to the official Kuwait News Agency (KUNA), Lagarde's talks with Amir Sabah Al-Sabah focused on nuclear power cooperation and Islamic finance. Other topics discussed by Lagarde's delegation and GOK officials included civil aviation, public health partnerships and infrastructure development. According to Sheikh Jarrah Al-Sabah from the MFA's Economic Department, the "technical meetings" of the Joint Economic Committee focused on making minor revisions to the agreed minutes from the 2006 meeting and on signing an Agreement on Cooperation in Development and Infrastructure for Communications, which he said had already been "teed-up" before the meetings.

[1](#)3. (C) The talks come four months after President Sarkozy discussed arms sales, including the possible sale of dozens of Rafale fighter jets, with the GOK (ref A) and two months after heavily publicized war games involving Kuwaiti and French forces in northern Kuwait -- and less than a month after Sarkozy formally opened the GOF's first military "base" in the Gulf, in Abu Dhabi. These and other GOF initiatives are part of the Sarkozy administration's effort to reinforce France's presence in the region in line with its "Defense White Book" designation of the Gulf as a strategic "priority zone" (ref A).

[1](#)4. (SBU) In recent months, Kuwait has taken steps to further plan for nuclear power generation. In the wake of Sarkozy's

February 2009 visit, a GOK technical team visited France to discuss nuclear cooperation with GOF officials and representatives of Areva, the giant nuclear power generation and electricity transmission company, which is majority owned by the French Government. (Note: Areva and another French state-owned company, EDF, are part of a French consortium bidding on a project to build nuclear reactors in the UAE. End Note). In March, an Amiri Decree established the National Committee for Using Nuclear Energy for Peaceful Purposes, chaired by the Prime Minister, with a secretariat headed by former OPEC acting secretary-general, Dr. Adnan Shihab-Eldin.

15. (C) Concurrent with Lagarde's visit, Areva representatives undertook meetings with GOK officials, ostensibly to discuss nuclear cooperation. However, Dr. Adnan Shihab-Eldin told Econcouns that Minister Lagarde had oversold the Areva talks. He acknowledged that GOK officials had met with Areva and discussed nuclear reactor technology, but said that the main purpose of Areva's visit was to discuss mining sector projects in Kazakhstan and Mongolia with the Kuwait Investment Authority (KIA), Kuwait's sovereign wealth fund.

16. (C) Eldin stated that the French do have a lead in nuclear cooperation talks with the GOK. He said that "they came here quickly" and that the Amir liked what he heard. He said that French firms have significant experience and expertise in the realm of nuclear power and that he, personally, likes their technology. That said, he stressed, that the GoK is nowhere near to making a decision on reactor technology, and that even if the GOK were to go with French technology, there would be opportunities for U.S. firms, given the close U.S. -

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Kuwaiti strategic relationship.

COMMENT

17. (S) Although there appears to be less to this visit than meets the eye, the French continue to work assiduously to deepen their relationship with the GOK and the rest of the GCC states. Proactive lobbying by Sarkozy, Lagarde and other GOF officials -- and a dearth of public interest from other suitors -- is feeding speculation that Kuwait and France will embark on nuclear power generation cooperation. However, from what GoK officials have told us and what we know about Kuwait's own glacial decision making processes, it appears certain that the French are overselling the progress of these talks. Nevertheless, interest in nuclear power generation is on the rise throughout the Arab nations of the Gulf and French firms currently dominate discussion of all such development programs. End Comment.

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JONES